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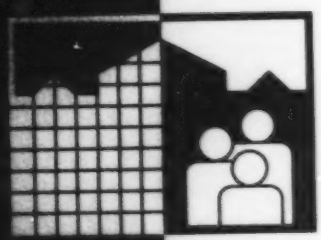

ALBERTA MUNICIPAL FINANCING CORPORATION

1991 ANNUAL REPORT

QUALITY OF LIFE GRAPHIC

This graphic shows the improvement of individual quality of life through the involvement of the Alberta Municipal Financing Corporation (AMFC).

The graphic was designed with two sides — a before and after. The left side, the before, suggests structure and projects at the planning stage. The right side, the after, suggests completed projects enhanced by the financial assistance provided by the AMFC.

92-05117/

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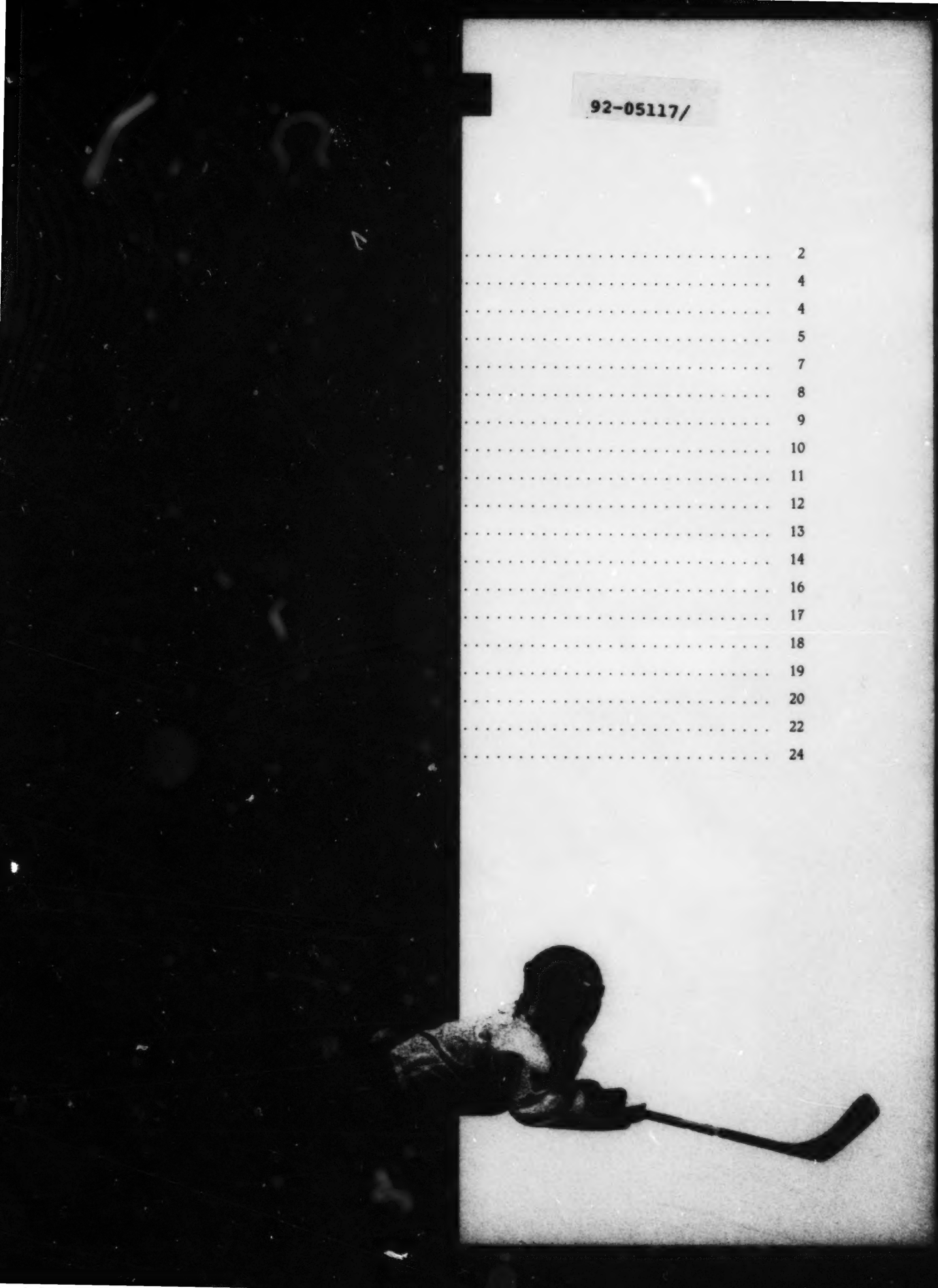

CONTRIBUTING TO THE QUALITY OF LIFE OF ALBERTANS

The Alberta Municipal Financing Corporation (AMFC) municipalities by making project funds available at attractive rates. In doing so, jurisdictions large and small can provide both traditional and innovative projects to meet their communities' changing needs.

Recreational facilities such as hockey arenas, curling rinks, swimming pools, golf courses, and ski hills allow individuals alike to enjoy sports and appreciate nature's beauty close to home. Some of these new facilities let families take part in a variety of activities including skating, hockey, swimming, and court sports, conveniently located within one multi-faceted complex.

Libraries have been expanded to create facilities that are brighter, more spacious, and equipped with larger, more diverse collections. One new complex includes a library complete with a small stage for live theatre productions.

Day care centres have been built to meet demand with ingenuity and care. Parents have the peace of mind knowing their children are enjoying bright, cheerful buildings furnished with accessories and equipment appropriate to their needs and challenge bodies.

The ongoing expansion and development of parks provides recreational opportunities for all ages during every season.

The AMFC is dedicated to helping municipalities and enhance the quality of life for the people of Alberta.

Top left: Red Deer AgriTrade Centre; Right: Sugar Plum DayCare, Peace River; Bottom: Strathmore Recreation Centre

Standing (l-r): M.J. Schmitke, W.R. Gartner, J.M. Drinkwater, M. Donaghy; Seated

BOARD OF DIRECTORS

DIRECTORS

Appointed

A.F. Collins J.M. Drinkwater A.R. Grover
A.J. McPherson R.A. Splane

Elected

W.R. Gartner – Representing Class B shareholders
R.L. Ardiel – Representing Class C shareholders
M.J. Schmitke – Representing Class D shareholders
M. Donaghy – Representing Class E shareholders

OFFICERS

A.F. Collins – President and Chairman of the Board
R.L. Ardiel – Vice-President
D.R. Bishop – General Manager
G.H. Kinsman – Assistant General Manager
E.J. Peacock – Secretary-Treasurer

OFFICES

409 Terrace Building
9515 – 107th Street
Edmonton, Alberta
T5K 2C3
Phone (403) 427-9711
Fax (403) 422-2175

HOW THE CORPORATION FUNCTIONS

PURPOSE

The Alberta Municipal Financing Corporation is a non-profit Corporation. It assists municipal jurisdictions within the province to obtain capital funds at the lowest possible cost through access to capital markets which would not be available to them on an independent basis.

AUTHORITY

The Corporation was established in 1956 under the authority of the Alberta Municipal Financing Corporation Act, being Chapter 3 of the Statutes of Alberta 1956 (R.S.A., 1980 CH. A-33)

SHAREHOLDERS

The authorized stock of the Corporation consists of the following shares with a par value of $10 each:

- 4,500 class A,available only to the Crown
- 1,000 Class B, available only to municipalities (defined as including municipal districts, counties, improvement districts and special areas) and to approved hospitals and hospital districts
- 750 Class C, available only to cities
- 750 Class D, available only to towns and villages
- 500 Class E, available only to school districts and divisions, universities and colleges.

The business of the Corporation is administered by a Board of Directors. The Lieutenant Governor in Council appoints five directors to represent the Class A common shareholder. Each of the other four classes of shareholders elects one director to the Board.

LOANS

All applications for loans from the Corporation, except for shareholders falling under other government departments, must have the approval of the Local Authorities Board of the Province as evidence that the applicant has satisfied the provisions of provincial legislation related to the borrowing. Maximum terms of loans for various projects are prescribed in the by-law relating to the terms and conditions for lending money to shareholders.

From left to right: Eleanor Peacock, Secretary-Treasurer; Jackie Hui, Accountant; Don Bishop, General Manager; and Holly Carlson, Secretary

Funds are advanced to borrowers in exchange for debentures. Loans to municipal and hospital authorities are secured by debentures repayable in equal annual instalments of blended principal and interest. Loans for school purposes are secured by debentures repayable in equal annual instalments of principal plus interest.

FINANCING

The Corporation issues various debt obligations to obtain the funds necessary to finance loan requirements. These obligations of the Corporation carry the unconditional guarantee of the Province of Alberta.

Standing (l-r): M.J. Schmitke, W.R. Gartner, J.M. Drinkwater, M. Donaghy. Seated (l-r): **R.L. Ardiel, A.R. Grover, A.F. Collins, R.A. Splane, A.J. McPherson**

BOARD OF DIRECTORS

DIRECTORS

Appointed

Elected

OFFICERS

OFFICES

PAST DIRECTORS

CLASS A — (PROVINCIAL TREASURER)

E.W. Hinman	1956 to 1957
J.W. Judge*	1956 to 1962
L. Patrick*	1956 to 1963
K.J. Hawkins*	1956 to 1971
Dr. E.J. Hanson*	1956 to 1985
F.G. Stewart	1958 to 1988
E.R. Hughes*	1965 to 1971
C.F. Hayes*	1971 to 1975
J.M. Currie*	1975 to 1980
E.E. Borstad	1983 to 1985

CLASS B — (MUNICIPALITIES)

C.F. Hayes*	1956 to 1971
G.W. Meyer*	1971 to 1978
M.R. Parker	1978 to 1988

CLASS C — (CITIES)

J. Hodgson**	1956 to 1964
J.M. Tweddle*	1964 to 1972
T.E. Adams	1972 to 1981
A.F. Womack	1981 to 1986

CLASS D — (TOWNS AND VILLAGES)

A. Ellis*	1956 to 1958
E.G. Miller**	1958 to 1960
J.M. Fleming	1960 to 1969
R.L. Ellis*	1969 to 1975

CLASS E — (SCHOOLS)

E. Murray	1981 to 1986
D.H. Vizina*	1986 to 1988
C.W. Wills	1988 to 1991

* deceased
** status unknown

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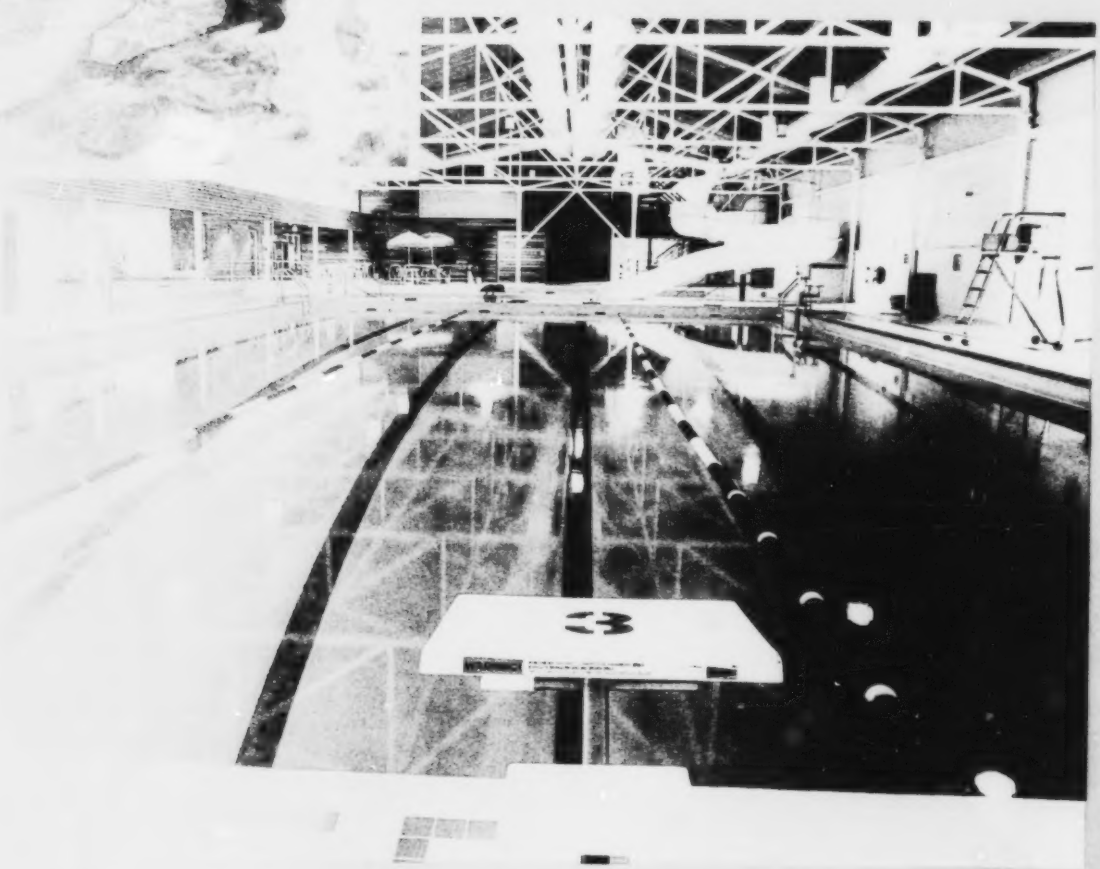
Funds are advanced to borrowers in exchange for debentures. Loans to municipal and hospital ... secured by debentures repayable in equal annual instalments of blended principal and interest. ... school purposes are secured by debentures ... equal annual instalments of principal plus ...

FINANCING

The Corporation issues various ... obtain the funds necessary to finance ... These obligations of the Corporation ... unconditional guarantee of the ...

PISCINE POOL



PRESIDENT'S REPORT

February 12, 1992

It is my privilege to present the Annual Report of the Alberta Municipal Financing Corporation for the year ended December 31, 1991 and to review the Corporation's activities for the past year.

At December 31, 1991 the loan portfolio of the Corporation totalled $5,330.7 million, up from $5,146.5 million at the end of 1990. New loans issued in 1991 of $471.8 million were more than double the $197.5 million issued the prior year but were 16% less than our shareholders' estimated requirements of $565.0 million. Smaller centres as well as cities approved the construction of recreational facilities such as recreation centres, agri-trade centres, parks, swimming pools, walking and bicycle trails, tennis courts, ski hills, wildlife parks, libraries, daycare centres, and upgrading golf courses, which have contributed to the quality of life of residents of all ages throughout Alberta. Approximately eleven million dollars was loaned for recreation purposes in 1991.

Based on a survey of our shareholders' borrowing intentions, it is expected that new loans in 1992 will increase to about $550 million. The details of the 1992 borrowing forecast are set out in the Schedule of Estimated Requirements on page 8 following this report.

Interest rates decreased throughout 1991 from 11-1/4% in January to 8-1/4% in December for a three-year term and from 11-1/8% to 9-7/8% for a 25-year term, and the inverted yield curve experienced at the beginning of the year returned to normal with short-term rates dropping proportionately more than long-term rates.

Prepayments increased from $3.5 million in 1990 to $8.7 million in 1991 and it is anticipated that if interest rates remain low there could be a higher volume of loan prepayments in 1992. The Board of Directors amended the stop-loss settlement policy in late 1991 to incorporate a base of loans outstanding at the prior year-end for calculation of the 20% cumulative lifetime prepayments eligible to be made under the 2, 3 or 4 months of interest penalty provision. There was no change to the commencement date of January 1, 1987 for accumulating the 20% maximum lifetime prepayments allowed under the penalty provision.

The gross debt of the Corporation decreased by $117.1 million to $5,420.6 million at December 31, 1991 as two debt issues matured, one CPP issue in the amount of $92.1 million and one public issue for $25 million. In 1992 there will be two debt maturities totalling $89.6 million.

A. F. Collins

During the year the Corporation used $255 million of sinking fund assets for debt retirement and [illegible] to shareholders.

Two changes have occurred on the Board of Directors during the year. C.W. Wills who represented the [illegible] (school) shareholders left the Province and M. Dyrda was elected to fill that vacancy for the [illegible] term and I.M. Drinkwater was appointed as the representative of the Class 'A' shareholders. I welcome these two new directors.

In closing, I would like to express my appreciation to our directors and [illegible] management of the affairs of the Corporation during the past year. Serving as president for the [illegible] been an honour and a privilege.

A. F. Collins
President and Chairman of the Board

SCHEDULE OF ESTIMATED REQUIREMENTS

(thousands of dollars)

	1992 Estimated	1991 Actual Loans	1990 Actual Loans
By Jurisdiction			
Cities	$ 320,000	$ 266,712	$ 36,178
Towns	15,000	20,649	11,866
Villages	2,000	428	3,135
Counties,municipal districts and other	39,000	37,599	34,852
Hospital and nursing home districts	1,700	4,130	4,605
School divisions and districts	160,000	139,926	106,861
Universities and colleges	12,300	2,385	—
Total	**$ 550,000**	**$ 471,829**	**$ 197,497**
By Purpose			
Municipal – General	$ 245,000	$ 196,982	$ 57,157
– Utility	106,000	96,083	6,500
Hospital	1,700	4,130	4,942
School	197,300	174,634	128,898
Total	**$ 550,000**	**$ 471,829**	**$ 197,497**

Lacombe fire truck

ANALYSIS OF NEW LOANS ISSUED

By jurisdiction and purpose for the year ended December 31, 1991
(thousand of dollars)

Sewer and water					
Roads and sidewalks					
Transit					
Land					
Municipal buildings					
Equipment and machinery					
Utilities					
Parks and recreation					
Hospital and nursing homes					
Schools					
Total	$ 266,712	$ 20,649	$ 428	$ 184,040	$ 471,829

Top: Innisfil Ice Arena; Bottom: Sundre Arena

SCHEDULE OF ESTIMATED REQUIREMENTS

(thousands of dollars)

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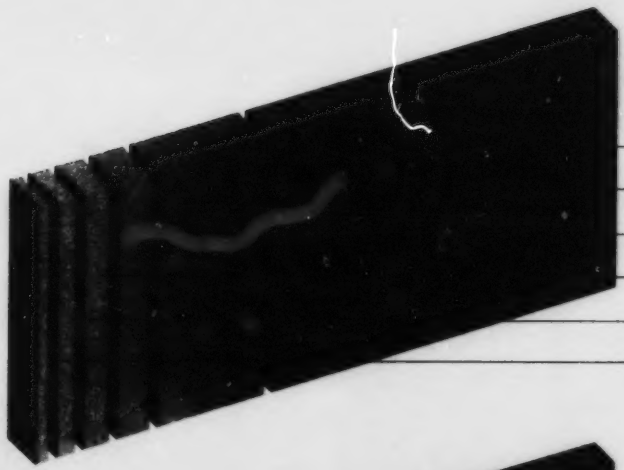
Lacombe fire truck

Cities	Towns	Villages	Other	Total
$ 76,504	$ 8,658	$ 324	$ 2,417	$ 87,903
43,833	4,192	24	245	48,294
25,538	—	—	—	25,538
419	144	—	1,100	1,663
49	2,493	50	—	2,592
17,678	1,085	—	1,514	20,277
96,083	—	—	—	96,083
6,608	4,077	30	—	10,715
—	—	—	4,130	4,130
—	—	—	174,634	174,634
$ 266,712	**$ 20,649**	**$ 428**	**$ 184,040**	**$ 471,829**

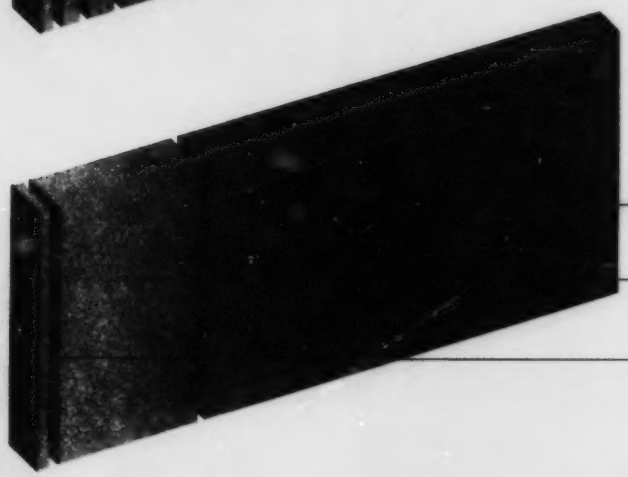
OUTSTANDING LOANS

By jurisdiction and purpose as at December 31, 1991
(millions of dollars)



Jurisdiction

$3,558.7	Cities
1,062.0	School Districts and Divisions
329.0	Towns and Villages
345.4	Counties, Municipal and Other Districts
20.8	Universities and Colleges
14.8	Hospitals



Purpose

$3,981.4	Municipal
1,325.8	School
23.5	Hospital
$5,330.7	**Total Loans Outstanding**

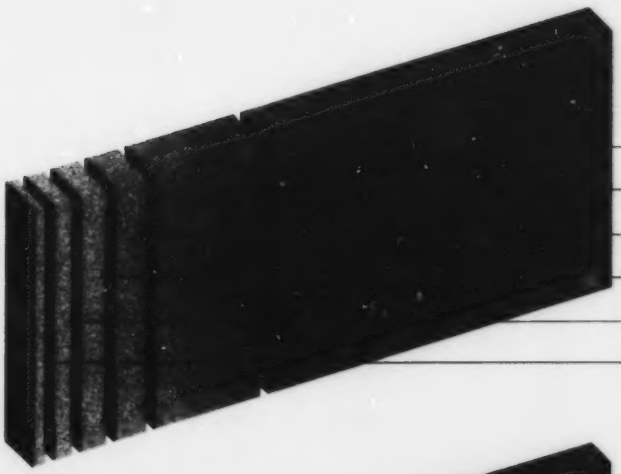
SCHEDULE OF LOANS OUTSTANDING

As at December 31, 1991
(thousands of dollars)

	Principal Outstanding 31-Dec-91
By Jurisdiction	
Cities:	
Airdrie	13,025
Calgary	643,671
Camrose	15,855
Drumheller	5,383
Edmonton	560,809
Fort McMurray	34,039
Fort Saskatchewan	7,361
Grande Prairie	16,419
Leduc	9,150
Lethbridge	30,870
Lloydminster	17,058
Medicine Hat	116,098
Red Deer	41,529
Spruce Grove	8,596
St. Albert	20,874
Wetaskiwin	15,028
Total Cities	1,565,908
Towns	108,123
Villages	25,875
Counties – schools	243,936
– other	94,226
Municipal districts	70,390
Improvement districts	5,074
Irrigation & water services	26,218
Hospitals	15,796
Universities & colleges	20,911
School districts & divisions	1,012,823
Total	3,191,280
By Purpose	
Municipal – General	1,108,169
– Utility	1,067,289
Hospital	15,796
School	1,012,823
Total	3,191,280

OUTSTANDING LOANS

By jurisdiction and purpose as at December 31, 1991
(millions of dollars)



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1,062.0	School Districts and Divisions
329.0	Towns and Villages
345.4	Counties, Municipal and Other Districts
20.8	Universities and Colleges
14.8	Hospitals

Purpose

$3,981.4	Municipal
1,325.8	School
23.5	Hospital
$5,330.7	**Total Loans Outstanding**

SCHEDULE OF LOANS OUTSTANDING

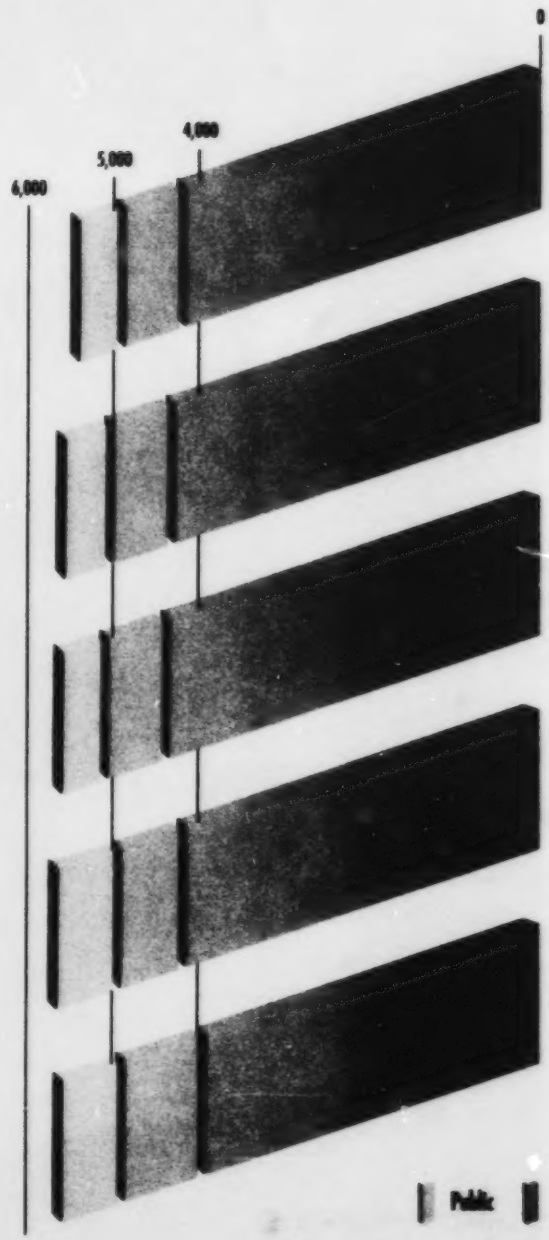
As at December 31 1991

(thousands of dollars)

	Principal Outstanding 31-Dec-90		
By Jurisdiction			
Cities			
Airdrie	$ 12,581	$	
Calgary	1,466,887		
Camrose	16,108		
Drumheller	8,637		
Edmonton	1,590,848		
Fort McMurray	17,791		
Fort Saskatchewan	8,213		
Grande Prairie	46,909		
Lacombe	15,285		
Lethbridge	72,764		
Medicine Hat	17,801		
Red Deer	67,916		
Spruce Grove	10,427		
St. Albert	8,927		
Wetaskiwin	55,697		
	15,969		
Total cities	3,460,858		
Towns	294,151		
Villages	35,555		
Counties - schools	226,159		
other	56,918		
Municipal districts	10,458		
Improvement districts	5,215		
Irrigation & water services	33,216		
Hospitals	12,164		
Universities & colleges	19,255		
School districts & divisions	992,822		
Total	**$ 5,146,534**	**$**	471,829
By Purpose			
Municipal - general	$ 2,892,825	$	
Utility	993,063		
Hospital	21,174		
School	1,239,474		
Total	**$ 5,146,534**	**$**	471,829

ANALYSIS OF OUTSTANDING DEBT

For the five-year period 1987-1991
(millions of dollars)



1991	
Total Outstanding	$ 5,420.6
1990	
Total Outstanding	$ 5,537.7
1989	
Total Outstanding	$ 5,618.1
1988	
Total Outstanding	$ 5,663.4
1987	
Total Outstanding	$ 5,574.0

Public Government of Alberta Canada Pension Plan Investment Fund

SOURCES OF CAPITAL

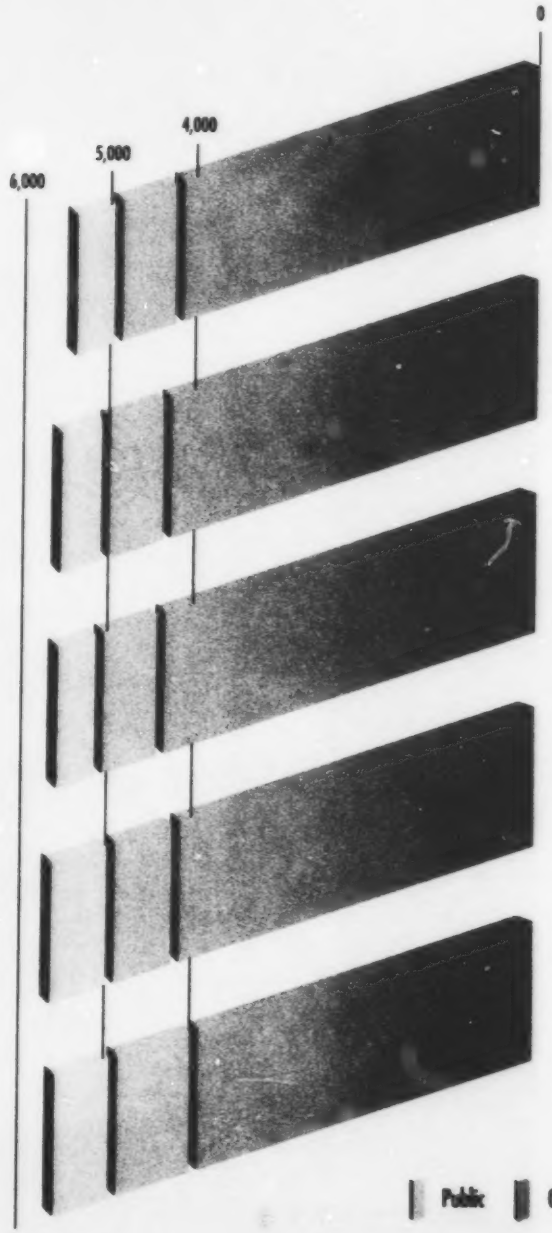
(thousands of dollars)

Canada Pension Plan Investment Fund	
Government of Alberta	
Public	
Total	

Left and right: Vegreville Health Unit;
Bottom: Rockliff Aquatic Centre

ANALYSIS OF OUTSTANDING DEBT

For the five-year period 1987-1991
(millions of dollars)



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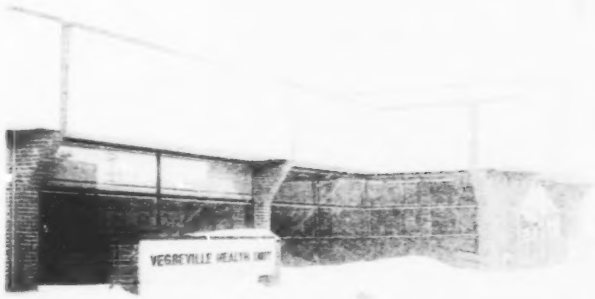
1990	
Total Outstanding	$ 5,537.7
1989	
Total Outstanding	$ 5,618.1
1988	
Total Outstanding	$ 5,663.4
1987	
Total Outstanding	$ 5,574.0

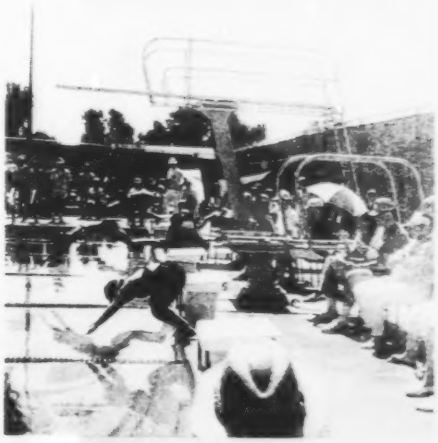
Public Government of Alberta Canada Pension Plan Investment Fund

SOURCES OF CAPITAL

(thousands of dollars)

	Gross Outstanding December 31, 1986
Canada Pension Plan Investment Fund	$ 4,175,592
Government of Alberta	710,000
Public	535,000
Total	$ 5,420,592



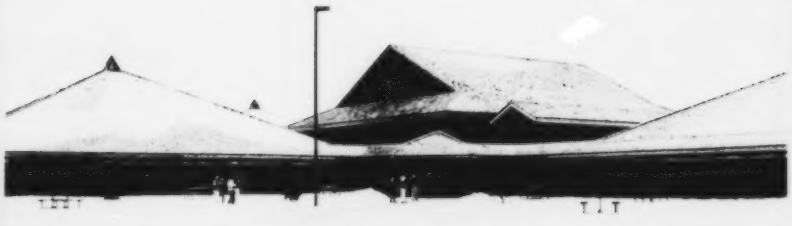


Left and right: Vegreville Health Unit
Bottom: Redcliff Aquatic Centre

TEN YEAR REVIEW 1982 – 1991

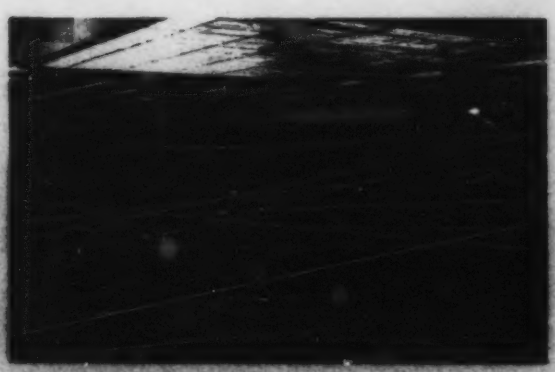
(millions of dollars)

New loans issued during the year:			
For construction			
	$ 266.732	$ 56.176	$ 266.500
	21.477	18.021	15.851
	97.500	34.952	36.451
	4.120	1.048	4.900
	80.000	85.000	100.000
	2.000	2.300	1.283
	471.829	197.497	424.985
For purchase			
	267.214	80.000	250.000
	4.350	1.000	8.000
	74.954	24.000	20.000
	471.829	197.497	424.985
	2.1	2.0	2.0
			2.5
	9.1	9.2	9.3
		9.5	9.6
	474.193	570.000	710.455
		7.5	11.5



Lincoln Junior High School

1988	1987	1986	1985	1984	1983	1982
$ 185,015	$ 173,732	$ 150,023	$ 174,688	$ 416,688	$ 402,621	$ 858,068
15,346	14,320	14,765	15,655	14,965	31,666	62,884
48,100	31,874	34,907	34,861	18,935	35,873	40,853
395	776	800	—	—	2,359	800
63,377	81,873	123,093	112,341	103,381	149,677	157,183
1,800	3,953	13,600	—	—	—	—
314,033	**306,528**	**337,188**	**337,545**	**553,969**	**622,196**	**1,119,788**
223,926	187,938	168,889	196,614	435,654	444,417	913,450
1,292	3,983	800	25	22	2,978	19,332
88,815	114,607	167,499	140,906	118,293	174,801	187,006
314,033	**306,528**	**337,188**	**337,545**	**553,969**	**622,196**	**1,119,788**
255,262	370,354	239,577	234,875	229,119	211,226	118,398
311,347	327,996	395,645	290,742	488,491	748,582	1,116,673
5,663,358	5,573,966	5,871,138	5,793,144	5,553,558	5,116,788	4,645,360
1,096,263	1,084,559	1,206,684	1,126,810	951,144	797,845	668,897
655,853	605,165	535,672	429,207	355,686	290,699	233,968
11%	11-1/2%	10%	11%	13-1/8%	12-5/8%	13-1/4%



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	1991	1990	1989
Cities	$ 266,712	$ 36,178	$ 266,399
Towns	21,077	15,001	13,531
County	37,599	34,852	38,451
Hospital	4,130	4,605	3,900
School	139,926	106,861	100,704
	2,385	—	2,000
Total	**471,829**	**197,497**	**424,985**
Municipal	293,065	63,657	291,837
Hospital	4,130	4,942	3,900
School	174,634	128,898	129,248
Total	**471,829**	**197,497**	**424,985**
	287,674	267,685	256,728
	—	—	278,470
	5,420,592	5,537,722	5,618,128
	800,376	952,111	995,085
	874,154	790,197	719,453
	10%	11-1/2%	10-3/8%

1988	1987	1986	1985	1984	1983	1982
$ 185,015	$ 173,732	$ 150,023	$ 174,688	$ 416,688	$ 402,621	$ 858,068
15,346	14,320	14,765	15,655	14,965	31,666	62,884
48,100	31,874	34,907	34,861	18,935	35,873	40,853
395	776	800	—	—	2,359	800
63,377	81,873	123,093	112,341	103,381	149,677	157,183
1,800	3,953	13,600	—	—	—	—
314,033	**306,528**	**337,188**	**337,545**	**553,969**	**622,196**	**1,119,788**
223,926	187,938	168,889	196,614	435,654	444,417	913,450
1,292	3,983	800	25	22	2,978	19,332
88,815	114,607	167,499	140,906	118,293	174,801	187,006
314,033	**306,528**	**337,188**	**337,545**	**553,969**	**622,196**	**1,119,788**
255,262	370,354	239,577	234,875	229,119	211,226	118,398
311,347	327,996	395,645	290,742	488,491	748,582	1,116,673
5,663,358	5,573,966	5,871,138	5,793,144	5,553,558	5,116,788	4,645,360
1,096,263	1,084,559	1,206,684	1,126,810	951,144	797,845	668,897
655,853	605,165	535,672	429,207	355,686	290,699	233,968
11%	11-1/2%	10%	11%	13-1/8%	12-5/8%	13-1/4%

[redacted]

Office of the Auditor General

AUDITOR'S REPORT

To the Shareholders of the Alberta Municipal Financing Corporation

I have audited the balance sheet of the Alberta Municipal Financing Corporation as at December 31, 1991 and the statements of revenue, expenditure and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 1991 and the results of its operations and the changes in its financial position for the year ended in accordance with generally accepted accounting principles.

Donald D. Salmon

Edmonton, Alberta
February 12, 1992

F.C.A.
Auditor General

ALBERTA MUNICIPAL FINANCING CORPORATION

BALANCE SHEET

As at December 31, 1991
(thousands of dollars)

	1991	1990
Assets:		
Cash	$ 39,785	$ 119,412
Accrued interest receivable	228,998	215,441
Loans to municipal authorities (Note 3)	5,330,689	5,146,534
	$ 5,599,472	$ 5,481,387
Liabilities and Shareholders' Equity:		
Liabilities:		
Accrued interest payable	$ 112,056	$ 113,226
Debenture debt (Note 4 and Schedule 1)	5,413,574	5,530,010
Less: sinking fund assets (Note 5 and Schedule 2)	800,377	952,111
Net debenture debt	4,613,197	4,577,899
	4,725,253	4,691,125
Shareholders' Equity:		
Share capital (Note 6):		
Authorized: 7,500 common shares, par value $10 per share		
Issued and fully paid:		
1991 – 6,487 shares		
1990 – 6,485 shares	65	65
Retained earnings	874,154	790,197
	874,219	790,262
	$ 5,599,472	$ 5,481,387

A.F. Collins
President & Chairman of the Board

R.L. Ardiel
Vice-President

The accompanying notes are part of these financial statements.

ALBERTA MUNICIPAL FINANCING CORPORATION

STATEMENT OF REVENUE, EXPENDITURE AND RETAINED EARNINGS

For the year ended December 31, 1991
(thousands of dollars)

	1991	1990
Revenue:		
Interest on loans	$ 603,812	$ 595,706
Investment income on sinking fund assets	98,765	99,151
Interest on deposits	6,949	8,910
Fees on loan prepayments	256	39
	709,782	703,806
Expenditure:		
Interest on debentures	624,768	632,004
Amortization of debenture discount	693	713
Administration and office expense	319	287
Debt service charges	34	42
Directors' and officers' fees and expenses	11	16
	625,825	633,062
Excess of revenue over expenditure for the year	83,957	70,744
Retained earnings, beginning of year	790,197	719,453
Retained earnings, end of year	$ 874,154	$ 790,197

ALBERTA MUNICIPAL FINANCING CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 1991

(thousands of dollars)

	1991	1990
Operating transactions:		
Excess of revenue over expenditure for the year	$ 83,957	$ 70,744
Add (deduct) non-cash items:		
Amortization of gains, losses and discounts related to debt	694	713
Amortization of premiums and discounts related to sinking fund investments	(34,349)	(29,342)
Decrease (increase) in accrued interest, net	(14,727)	515
Cash provided by operating transactions	35,575	42,630
Investing transactions:		
New loans	(471,829)	(197,497)
Loan repayments	287,674	267,685
Cash provided by (applied to) investing transactions	(184,155)	70,188
Financing transactions:		
Redemption of debentures	(117,130)	(80,406)
Liquidation of sinking fund assets, net	186,084	72,316
Cash provided by (applied to) financing transactions	68,954	(8,090)
Increase (decrease) in cash	(79,626)	104,728
Cash at beginning of year	119,412	14,684
Cash at end of year	$ 39,786	$ 119,412

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1991

1. Authority

The Alberta Municipal Financing Corporation operates under the authority of the Alberta Municipal Financing Corporation Act, Chapter A-33, Revised Statutes of Alberta 1980, as amended.

2. Significant Accounting Policies and Reporting Practices

Sinking Fund Investments

Sinking fund investments are recorded at cost. The cost includes the amount of applicable amortization of discount or premium using the straight-line method over the life of the investments.

Realized gains and losses on disposals of sinking fund investments are included in the determination of investment income. The cost of disposals is determined on the average cost basis.

Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

Investment income on sinking fund investments accrues to the sinking fund.

Debenture Discount

Debenture discount, including underwriting commission, arising on the issue of debenture debt is deferred and amortized over the term of the debt. Public debenture issue expenses are charged against income as they arise.

Debenture debt is recorded net of sinking fund assets and unamortized discounts.

3. Loans to Municipal Authorities

Loans to municipal authorities amounting to $317,296,000 are due in 1992 ($279,525,000 due in 1991).

4. Debenture Debt

(a) The debenture debt of the Corporation is fully guaranteed by the Province of Alberta.

(b) Debentures amounting to $4,173,592,000 held by the Canada Pension Plan Investment Fund are redeemable at the option of the Minister of Finance of Canada by giving six months notice in writing to the Provincial Treasurer and observing the other redemption provisions of the debentures.

(c) Sinking fund and debenture redemption requirements during each of the next five years are as follows:

	(thousands of dollars)		
	Sinking Fund	Debenture Redemption	Total
1992	$ 4,500	$ 89,599	$ 94,099
1993	4,500	137,433	141,933
1994	4,500	98,318	102,818
1995	4,500	137,694	142,194
1996	4,500	140,685	145,185
	$ 22,500	$ 603,729	$ 626,229

5. Sinking Fund Assets

Sinking fund assets are required for all public debentures. The Corporation's by-laws also require that $300 million of sinking fund assets be available in 2000 for debenture debt maturing in that year. Management has estimated that approximately $346,167,000 (1990 - $339,591,000) of the sinking fund assets are required at December 31, 1991 to meet these requirements. Sinking fund assets of $454,210,000 (1990 -$612,520,000) in excess of the requirements will be used to retire other debentures as they mature or are redeemed and will also be available for loans to municipal authorities.

During the year $255,000,000 (1990 - $150,000,000) of sinking fund assets were used to repay debentures and make loans to municipal authorities.

6. Share Capital

Particulars of share capital are summarized hereunder:

Class	Restricted to	Number of Shares		Total Dollar Amount
		Authorized	Issued and Fully Paid	
A	Provincial Treasurer	4,500	4,500	$ 45,000
B	Municipalities and hospitals	1,000	933	9,330
C	Cities	750	578	5,780
D	Towns and villages	750	314	3,140
E	Schools, universities and colleges	500	162	1,620
		7,500	6,487	$ 64,870

2 Class B, and 1 Class E shares were issued and 1 Class D share was redeemed during the year at $10.00 each.

7. Approval of Financial Statements

These financial statements have been approved by the Board of Directors.

ALBERTA MUNICIPAL FINANCING CORPORATION

SCHEDULE OF DEBENTURE DEBT

Schedule 1

As at December 31, 1991

(thousands of dollars)

Date of Issue	Maturity Date	Interest Rate	Original Issue	Principal Outstanding
Province of Alberta				
Nov 01, 1979	Nov 01, 1999	11.70	$ 70,000	$ 70,000
Mar 03, 1980	Mar 03, 2000	13.45	35,000	35,000
Jul 02, 1980	Jul 03, 2000	11.75	30,000	30,000
Aug 15, 1980	Aug 15, 2000	13.20	35,000	35,000
Nov 17, 1980	Nov 17, 2000	13.75	75,000	75,000
Dec 01, 1980	Dec 01, 2000	13.65	50,000	50,000
Dec 17, 1979	Dec 15, 2000	11.85	70,000	70,000
Dec 15, 1980	Dec 15, 2000	13.60	155,000	155,000
Mar 02, 1981	Mar 02, 2001	14.10	30,000	30,000
Jun 15, 1981	Jun 15, 2001	16.25	85,000	85,000
Oct 01, 1980	Oct 01, 2001	13.66	75,000	75,000
Total				710,000
Canada Pension Plan Investment Fund				
Dec 15, 1972	Jun 01, 1992	7.13	54,599	54,599
Dec 15, 1973	Sep 04, 1993	7.44	85,433	85,433
Nov 15, 1974	Oct 01, 1994	8.34	98,318	98,318
Nov 14, 1975	Oct 01, 1995	8.79	137,694	137,694
Oct 15, 1976	Sep 01, 1996	9.06	140,685	140,685
Oct 14, 1977	Sep 01, 1997	9.06	163,457	163,457
Oct 16, 1978	Sep 01, 1998	9.31	176,645	176,645
Nov 15, 1979	Oct 01, 1999	10.04	219,206	219,206
Nov 14, 1980	Oct 01, 2000	12.35	222,367	222,367
Sep 15, 1981	Aug 01, 2001	14.18	216,739	216,739
Jun 01, 1982	Jun 01, 2002	15.75	274,735	274,735
Apr 05, 1983	Apr 05, 2003	13.82	209,284	209,284
Dec 01, 1983	Dec 01, 2003	11.50	231,739	231,739
Dec 03, 1984	Dec 03, 2004	13.25	338,491	338,491
Nov 01, 1985	Nov 01, 2005	11.66	283,604	283,604
Nov 03, 1986	Nov 03, 2006	9.85	395,396	395,396
Nov 02, 1987	Nov 02, 2007	9.66	335,383	335,383
Oct 03, 1988	Oct 03, 2008	10.04	259,294	259,294
Oct 02, 1989	Oct 02, 2009	9.99	291,414	291,414
Nov 01, 1989	Nov 01, 2009	9.62	32,457	32,457
Dec 01, 1989	Dec 01, 2009	9.26	6,652	6,652
Total				4,173,592

Date of Issue	Maturity Date	Interest Rate	Original Issue	Principal Outstanding
Public, payable in Canadian dollars				
May 15, 1967	May 15, 1992	6.00	35,000	$ 35,000
Mar 15, 1968	Mar 15, 1993	7.25	52,000	52,000
Jan 18, 1983	Dec 15, 2002	12.25	450,000	450,000
Total				537,000
				5,420,592
Less: Unamortized debenture discount				7,018
Total debenture debt				$ 5,413,574

ALBERTA MUNICIPAL FINANCING CORPORATION

SCHEDULE OF SINKING FUND ASSETS

Schedule 2

As at December 31, 1991

(Thousands of dollars)

	Par Value	Book Value	Market Value
Investments			
Bonds and debentures:			
Government of Canada, direct and guaranteed	$ 205,313	$ 206,858	$ 219,805
Provincial, direct:			
Alberta	3,150	3,122	3,300
Other	21,685	21,537	22,373
Provincial, guaranteed:			
Alberta Municipal Financing Corporation	35,630	35,064	35,633
Other Alberta	54,485	54,624	56,767
Other	99,175	67,128	69,966
Corporate	23,745	23,815	25,651
Municipal	7,723	7,674	8,280
Mortgage-backed securities:			
Government of Canada, guaranteed	4,969	4,912	5,088
Mid-term money market securities:			
Notes	19,000	18,970	19,668
Certificates of deposit	2,000	2,000	2,023
Guaranteed investment certificates	8,200	8,206	8,389
Bankers acceptance	500	502	514
Bond coupons and residuals:			
Government of Canada, direct		188,002	193,892
Provincial, direct		55,153	58,546
		697,567	729,895
Short-term money market securities: (a)			
Notes		59,901	59,901
Total		757,468	789,796
Other Assets			
Cash		30,472	30,472
Accrued interest receivable		12,437	12,437
Total		42,909	42,909
Total 1991		$ 800,377	$ 832,705
Total 1990		$ 952,111	$ 941,848

(a) Market value is deemed to be book value